



Texas Department of Insurance

Division of Workers' Compensation

Medical Fee Dispute Resolution, MS-48

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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name and Address

NORTH GARLAND SURGERY CENTER
7150 N GEORGE BUSH FRWY #101
GARLAND TX 75044

Respondent Name

HARTFORD ACCIDENT & INDEMNITY

Carrier's Austin Representative Box

Box Number 47

MFDR Tracking Number

M4-11-2002-01

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The attached claim was processed and paid incorrectly. First, we submitted a clean claim with all required documentation requesting separate reimbursement for our implants and the carrier ignored that request two times. According to division guidelines, implants are to be reimbursed at the providers cost plus 10% interest up to \$1,000.00 per item or \$2,000.00 per case. Secondly, this claim has a "Qmedtrix" PPO discount applied to it. We re not contracted with Qmedtrix."

Amount in Dispute: \$1092.89

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The Hartford agrees to pay an additional \$211.95. Our calculation is determining this amount are as follows:

- CPT 25609-ASC Fee Schedule - $\$2120.52 \times 153\% = \3244.39
- HCPC L8699 (implantable) - $\$1773.43$ cost (drill bits are a medical supply, not implantable) $\times 10\%$ ($\$177.34$) = $\$1950.77$.
- Total reimbursement due $\$5195.16$ minus previous payment made by The Hartford of $\$4983.21$, remaining outstanding balance due = $\$211.95$."

Response Submitted by: The Hartford, 300 S. State St., Syracuse, NY 13202

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
December 17, 2010	ASC Services for Code 25609	-\$1094.98	-\$1095.00
	HCPCS Code L8699	\$2187.87	\$1738.81
TOTAL		\$1092.89	\$643.81

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving a medical fee dispute.
2. 28 Texas Administrative Code §134.402, titled *Ambulatory Surgical Center Fee Guideline*, effective August 31, 2008, sets out the reimbursement guidelines for ambulatory surgical care services.
3. The services in dispute were reduced/denied by the respondent with the following reason codes:

Explanation of benefits dated January 13, 2011

- 217-The charges have been discounted per review by Qmedtrix's billcheck service.

Explanation of benefits dated January 31, 2011

- 193-Original payment decision is being maintained. Reimbursement for your resubmitted invoice has been considered. No additional monies are being paid at this time. This bill was previously paid.

Issues

1. Did the requestor support position that reimbursement for ASC services for code 25609 was not in accordance with 28 Texas Administrative Code §134.402? Is the requestor entitled to reimbursement?
2. Did the requestor support position that additional reimbursement is due for HCPCS code L8699? Is the requestor entitled to reimbursement?
3. What is the total reimbursement due the requestor for HCPCS codes 25609 and L8699?

Findings

1. 28 Texas Administrative Code §134.402(d) states "For coding, billing, and reporting, of facility services covered in this rule, Texas workers' compensation system participants shall apply the Medicare payment policies in effect on the date a service is provided with any additions or exceptions specified in this section."

28 Texas Administrative Code §134.402(f)(1)(B) states "The reimbursement calculation used for establishing the MAR shall be the Medicare ASC reimbursement amount determined by applying the most recently adopted and effective Medicare Payment System Policies for Services Furnished in Ambulatory Surgical Centers and Outpatient Prospective Payment System reimbursement formula and factors as published annually in the AA, ASC COVERED SURGICAL PROCEDURES FOR CY 2008, published in the November 27, 2007 publication of the *Federal Register*, or its successor. The following minimal modifications apply: (1) Reimbursement for non-device intensive procedures shall be: (B) if an ASC facility or surgical implant provider requests separate reimbursement for an implantable, reimbursement for the non-device intensive procedure shall be the sum of: (i) the lesser of the manufacturer's invoice amount or the net amount (exclusive of rebates and discounts) plus 10 percent or \$1,000 per billed item add-on, whichever is less, but not to exceed \$2,000 in add-on's per admission; and (ii) the Medicare ASC facility reimbursement amount multiplied by 153 percent."

HCPCS code 25609 is defined as "Open treatment of distal radial intra-articular fracture or epiphyseal separation; with internal fixation of 3 or more fragments."

28 Texas Administrative Code §134.402(f) reimbursement for non-device intensive procedure for HCPCS code 25609 is:
The Medicare ASC reimbursement rate is found in the Addendum AA ASC Covered Surgical Procedures.
The ASC fully implemented relative payment weight for CY 2010 = 61.1407.

This number is multiplied by the 2010 Medicare ASC conversion factor of $61.1407 \times \$41.873 = \$2,560.14$. The Medicare fully implemented ASC reimbursement rate is divided by 2 = $\$1,280.07$ ($\$2,560.14/2$).

This number X City Conversion Factor/CMS Wage Index for Garland, Texas is $\$1,280.07 \times 0.9853 = \$1,261.25$.

The geographical adjusted ASC rate is obtained by adding half of the national reimbursement and wage adjusted reimbursement $\$1,280.07 + \$1,261.25 = \$2,541.32$.

Multiply the geographical adjusted ASC reimbursement by the DWC payment adjustment $\$2,541.32 \times 153\% = \$3,888.21$.

The MAR for HCPCS code 25609 is $\$3,888.221$. The insurance carrier paid $\$4983.21$. The difference between amount due and paid equals overpayment of $\$1,095.00$.

2. HCPCS code L8699 is defined as "Prosthetic implant, not otherwise specified."

The respondent states in the position summary that "HCPC L8699 (implantable) - $\$1773.43$ cost (drill bits are a medical supply, not implantable) $\times 10\%$ ($\$177.34$) = $\$1950.77$."

28 Texas Administrative Code §134.402(b)(5) states "'Implantable' means an object or device that is surgically:

- (A) implanted,
- (B) embedded,
- (C) inserted,
- (D) or otherwise applied, and
- (E) related equipment necessary to operate, program, and recharge the implantable."

The Division finds that the requestor's documentation and product description do not support that the following disputed services billed under HCPCS code L8699 meet the definition of implantable per 28 Texas Administrative Code §134.402(b)(5): drill bit and drill bit calibrated.

The Division finds that the requestor's documentation supports that the following disputed services billed under HCPCS code L8699 meet the definition of implantable per 28 Texas Administrative Code §134.402(b)(5): threaded k-wire, distal radius plate, locking screws and cortex screws. Reimbursement is recommended for these services per 28 Texas Administrative Code §134.402(f)(1)(B)(i).

28 Texas Administrative Code §134.402(f)(1)(B)(i) states "the lesser of the manufacturer's invoice amount or the net amount (exclusive of rebates and discounts) plus 10 percent or $\$1,000$ per billed item add-on, whichever is less, but not to exceed $\$2,000$ in add-on's per admission."

The requestor submitted a Synthes invoice that supports the following:

DESCRIPTION	COST	COST PLUS 10%	MAR
1.25 mm threaded k-wire	\$28.57	$\$28.57 + \2.85	\$31.42
2.4 mm distal radius plate	\$980.10	$\$980.10 + \98.01	\$1078.11
Locking screw	$\$132.30 \times 5 = \661.50	$\$661.50 + \66.15	\$727.65
Cortex screw	$\$34.42 \times 3 = \103.26	$\$103.26 + \10.32	\$113.58
TOTAL			\$1950.76

The MAR for HCPCS code L8699 is $\$1950.76$. The respondent paid $\$211.95$. The difference between the MAR and amount paid is $\$1,738.81$. This amount is recommended for reimbursement for HCPCS code L8699.

3. The Division finds that the requestor has supported position that the respondent issued an overpayment for HCPCS codes 25609 of $\$1,095.00$, and an underpayment of $\$1,738.81$ for HCPCS code L8699, resulting in a recommended allowance of $\$643.81$.

Conclusion

The Division would like to emphasize that individual medical fee dispute outcomes rely upon the evidence presented by the requestor and respondent during dispute resolution, and the thorough review and consideration of that evidence. After thorough review and consideration of all the evidence presented by the parties to this

dispute, the Division concludes that the requestor supported its position that additional reimbursement is due. As a result, the amount ordered is \$643.81.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$643.81 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

Authorized Signature

_____	_____	2/7/2012
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO REQUEST AN APPEAL

Either party to this medical fee dispute has a right to request an appeal. A request for hearing must be in writing and it must be received by the DWC Chief Clerk of Proceedings within **twenty** days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. The party seeking review of the MDR decision shall deliver a copy of the request for a hearing to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §148.3(c), including a **certificate of service demonstrating that the request has been sent to the other party**.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.